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Brookings County 2016 Assessment Plan

The following report is being presented to the Brookings County Commissioners and the SD Department of Revenue for the purpose of informing all parties of the intended changes to be implemented for the 2016 assessment year for Brookings County.

All analysis was done using all eligible 2015 sales except for the ag portion of the studies.

Ag Land Productivity Method for 2015:

2010 Top Crop Dollar was \$1836.64
2011 Top Crop Dollar was \$2020.74
2012 Top Crop Dollar was \$2,222.81 – a 10% increase
2013 Top Crop Dollar was \$2,556.23 – a 15% increase
2014 Top Crop Dollar was \$2,939.67 – a 15% increase
2015 Top Crop Dollar will be \$3,380.62 – a 15% increase
2016 Top Crop Dollar will be \$3,693.24 – a 9% increase

2010 Top Non Crop Dollar was \$859.27
2011 Top Non Crop was \$946.00
2012 Top Non Crop was \$1,040.80 – a 10% increase
2013 Top Non Crop was \$1,301.00 – a 25% increase
2014 Top Non Crop was \$1,496.15 – a 15% increase
2015 Top Non Crop will be \$1,675.70 – a 12% increase
2016 Top Non Crop will be \$1,811.73 – an 8% increase

These are the new productivity numbers supplied by SD DORR to allow for the increases as indicated by the new numbers from SDSU and allowable by law. All ag land in the county will be revalued for 2016 using these indicated top dollars. These new values will establish the 2016 productivity value. This will be an increase of 9.1 % county wide for all parcels.

Ag buildings will not change in assessed values. Further analysis of ag building values and market information will be done in 2016.

NON –AG:

2016 non-ag structures will see slight increases throughout the entire county based on the indicated market values studied in our sales ratio analysis. There will be several market adjustment increases implemented for 2016 - due to the increase in real estate values during the 2015 year. All 2015 open market sales were analyzed to determine these necessary increases as listed on the attached sheets.

The 2015 ending ratio for all 449 good non-ag sales is 86.14% with a COD of 16.04 (lower being better and SDCL requiring below 25).

We went into 2015 with a 90.6% ratio after our intentions were applied and so the 86.14% indicates a stronger market has taken place in 2015 and for 2016 we need to make necessary changes.

With all indicated changes being implemented for 2016:

NON-AG RATIO WILL BE 90.54.

NON-AG TAXABLE FACTOR SHOULD BE 93.9.

AG RATIO WILL BE 100% AND AG TAXABLE FACTOR WIL BE .85.

The above analysis was reviewed in our office and considered adequate to implement all 2016 assessments changes. All changes were warranted to remain in compliance to meet requirements found in SDCL.

The sales ratio numbers for 2015 were audited by the DOR staff person on December 9 & 10, 2015.

All sales used in this report were analyzed from Nov. 1, 2014 to Oct. 31, 2015 for the 2016 assessment year using South Dakota codified law.

This report is respectfully submitted.

Joyce Dragseth
Brookings County Equalization Director

Cc: Brookings Commissioners
Mike Houdyshell, SD DOR
Wendy Semmler, SD DOR
Codi Kinsman, SD DOR
Corina Erickson, SD DOR

Attachments Sent to: Wendy Semmler, SD DOR
Codi Kinsman, SD DOR
Corina Erickson, SD DOR

Assessment Spreadsheet indicating area increases with all ratio numbers
Assessment Areas Being Changed for 2016
2016 Neighborhood Change Attachments

2016 Brookings County Non-Ag Valuation Changes:

Brookings County Non-Ag Areas:

Cities and Small Towns:

White City: 6-Mile Creek lots will be going up to \$15,000 / lot as per sales. All other land in White City will be increasing by 10%. Land sales median was 82% and this will take it up to 90%. House sales will improve from 86% to 87%.

Volga City: Volga City had 32 sales within a two year study. Our beginning median was 82%. We will be increasing some NH land values and also 3 NHs will see increases in older type houses & 1 NH will see an increase in the newer house type. With these changes implemented the new ratio will be 91%.

Elkton City: Elkton City had 8 sales with an 87% median. Some of the sales were older and newer houses. We did reduce values in Elkton for 2015 and this 87% median indicates the market is picking up again in Elkton. Recommending no change for 2016 – and to study again for 2017.

Bruce City: Bruce City had a few land sales in the last two years, indicating a median on the land of 43%. All land in Bruce will increase from \$26 / FF to \$45 / FF; this will take the land median to 75%. The house sales ratio will improve from 77% to 80%. Bruce City will need to be studied again in 2017.

Aurora City: Land sales in Aurora are indicating that all land within the city needs to increase by 10%. This increase will take the land median from 75% to 83% and will also increase the house sale median from 90% to 92%. This indicates fair and equitable values throughout Aurora.

Sinai – In 2015, there were 6 sales in Sinai indicating a median of 90%. No changes needed for 2016.

Arlington – No sales, no change indicated.

Bushnell – 1 sale in a three year time frame indicates the current values are fair and equitable.

Brookings City Residential – 40 bare residential land sales indicate a median ratio of 86% and COD of 18.96. Both are acceptable numbers but in further review of sales of new plats and neighborhood individual numbers – some neighborhoods will see land increases. These neighborhoods being increased are listed on the attached paperwork. All 258 improved residential sales indicate a ratio of 87.97 and a COD of 10.10. These numbers indicate that the Brookings City market has increased since intentions were sent in last year. We have also been doing a citywide review during 2015 and these numbers are being included in this study. Therefore each neighborhood has been analyzed and all indicated changes (whether increases or decreases) are attached with the correlating paperwork. The new indicated ratio for Brookings City residential will be 91.10% and a COD of 8.95, after applying all indicated changes.

Brookings City Commercial:

Limited commercial sales indicate a median of 67%. For 2015, we increased all commercial land by 15%. And also the 150% rule was repealed for 2015, so all good commercial sales are included in this study. We will be increasing all commercial structures by 10% for 2016. This will improve the median to 72% and this area will certainly need to be studied for 2017. Gradual increase sometimes is better than too much too soon especially in the commercial areas.

Lake Properties:

Lake Hendricks: We had 5 house sales around Lake Hendricks indicating a ratio of 76% and 3 land sales indicating a ratio of 76%. In looking at two years' worth of sales, we have 12 house sales at 90% and 7 land sales at 83%. For 2016, we are recommending that certain neighborhoods have the land increased by 10% & the houses increased by 3% to 6% depending on neighborhoods. This will improve the ratios to 96% on the land sales and 94% on the house sales. All sales will be analyzed again for 2017.

Lake Campbell: In studying two years of sales around Lake Campbell, the 2015 ratio is 88% after raising land and houses for 2015. Recommending increasing the land values in most areas by 5% for 2016. This will improve the ratio to 89%. This will again be studied for 2017.

Lake Poinsett: Older houses around Lake Poinsett were put into their own neighborhood to assist with equalization around the lake for 2015. For 2016, we have 3 older house sales at 74% median and 4 newer house sales at 90%. The overall median with all sales is 78%. Recommending an increase on all land of 10% which help bring the newer house sales up and also to increase the older houses by 10% which will bring them closer to the newer houses in ratio. With these changes the new median overall will be 84%. Again, this will all be reviewed again for 2017.

Lake Oakwood: In studying 2 years of sales, we have 3 sales with a ratio of 59%. Recommending land to increase by 10% and house values to increase by 5% - this will improve the ratio to 65%. Lake Oakwood will need to be studied again for 2017.

Small Acreage Changes:

Smaller Developments around Brookings City:

Lass Addition by S Curve: Land will increase by 20% and Houses will increase by 7%. Four sales in this area indicate a ratio of 80% and these changes will increase ratio to 88%.

Parsley Way: Land will increase 20% and Houses will increase 10%. Ratio will go from 75% to 83%.

Southern Estates: Land will increase by 20% and Houses will increase by 9% - ratio will go from 61% to 67% and keep neighboring properties fair and equal.

River Ridge: 7 sales /ratio 85%. Recommend increasing land by 15% & ratio will improve to 87%.

Meyer's Subd: 2 sales / ratio 80% - Increase land by 15% - new ratio of 84%.

Bridle Estates: Land increased by 15% to maintain equitable values with surrounding properties.

Meyer's 2nd Addn: Land increase by 15% to maintain equitable values with surrounding properties.

Small Acreages in Some Townships:

Fifteen acreage sales all around the county, indicate a ratio of 78%. We will be increasing all first acre values by \$3000, and the excess acres on each acreage will go from \$2000 / acre to \$3000 / acre. Houses will also be increased by 5%. These changes will indicate a new ratio of 89%. We had made changes to some areas of acreages last year and we ended with a ratio of 86.5% with changes. So with our median dropping to 78% during 2015, these additional changes are necessary.

MH CHANGES:

Registered mobile homes: - studying 2015 sales ratio was 84% - indicating an increase of 8% is necessary for 2016 valuations. The 8% increase will bring the new ratio to 91%. And as we moved all registered MH's into the Real Estate classification for 2016, they will now have the same taxable factor as all other Real Properties within the county for 2016.

Mobile Homes on Real: All sales were analyzed and further studied by age groups and their group applicable market factor. Most of Brookings City age groups will be increasing because of a stronger market. Several age groups outside of Brookings City will be going down in value after studying the sales. A median ratio of 91% is the result of these changes.

All of the non-ag changes indicated above will change the non ag ratio county wide from 86.15 to 90.54. The COD also improves from 16 to 12. All of this analysis and the valuation changes would then result in a 2016 taxable factor of 93.9.

The numbers used for 2015 year were a median ratio of 90.3 and the 2015 taxable factor was .941 – so all numbers are remaining constant after the study and new values are applied.

This report has been respectfully submitted to Brookings County Commissioners, Mike Houdyshell, Property Tax Director; Wendy Semmler, Chief Statistician; Codi Kinsman, Statistician and Corina Erickson, Tax Specialist with the South Dakota Department of Revenue and Regulation.

Respectfully Submitted,

Joyce Dragseth
Director Equalization
Brookings County